

Company Formation In Turkey

Establishing a company in Turkey presents a strategic opportunity for investors aiming to capitalize on the nation's dynamic economy and advantageous geographical position. The process of [company formation in Turkey](#) involves several critical steps, each designed to ensure compliance with local regulations and promote a successful business venture.



Legal Framework and Company Types

The primary legislation governing [company registration in Turkey](#) is the Turkish Commercial Code (Law No. 6102). This code outlines various legal structures available for business entities, with the most common being:

Joint Stock Company (JSC): Requires a minimum capital of 50,000 Turkish Liras and allows for the issuance of both bearer and registered shares. Shareholders' liability is limited to their subscribed capital.

Limited Liability Company (LLC): Requires a minimum capital of 10,000 Turkish Liras and can have between 1 to 50 shareholders. Similar to a JSC, the liability of shareholders is confined to their capital contributions.

Both structures provide limited liability protection, making them attractive options for foreign investors.

Steps for Company Establishment in Turkey

The procedure for [company establishment in Turkey](#) encompasses several key stages:

Drafting the Articles of Association: This foundational document outlines the company's purpose, structure, and operational guidelines.

Notarization: The Articles of Association, along with signature declarations and other requisite documents, must be notarized to ensure legal validity.

Capital Deposit: A fraction of the company's capital (typically 0.04%) is deposited to the Competition Authority. Additionally, at least 25% of the subscribed capital should be deposited into a bank prior to registration, with the remaining balance payable within 24 months.

Trade Registry Application: Submission of all necessary documents to the local Trade Registry Office is essential for official registration. Upon approval, the company gains legal personality.

Tax and Social Security Registration: Following registration, the company must obtain a tax identification number and enroll with the Social Security Institution to comply with fiscal and employment obligations.

Considerations for Foreign Investors

Turkey's regulatory environment is conducive to foreign investment, permitting 100% foreign ownership in most sectors. However, investors should be mindful of specific considerations:

Residency Requirements: While there are no mandatory residency requirements for shareholders or directors, appointing a local representative can facilitate smoother operations.

Work Permits: Foreign nationals intending to work in Turkey must secure appropriate work permits, which are typically linked to the company's activities.

Incentives: The Turkish government offers various incentives, including tax reductions and exemptions, particularly for investments in designated sectors or regions.

Post-Establishment Obligations

After successfully establishing a company, adherence to ongoing compliance requirements is crucial:

Accounting and Reporting: Maintaining accurate financial records and submitting periodic reports in accordance with Turkish accounting standards is mandatory.

Corporate Governance: Companies must hold regular shareholder and board meetings, documenting decisions as stipulated by law.

Licenses and Permits: Depending on the industry, additional licenses or permits may be required to operate legally.

Engaging a local legal advisor or consultancy experienced in Turkish corporate law can significantly streamline the **company formation in Turkey** process, ensuring compliance with all legal requirements and facilitating a successful business launch.